

## The Honorable Marsha J. Pechman

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

10 In re Washington Mutual, Inc. Securities, ) No. 2:08-md-01919-MJP  
11 Derivative & ERISA Litigation )  
12 ) DEFENDANTS' JOINT  
13 ) RESPONSE TO CERTAIN  
14 ) PLAINTIFFS' MOTION TO  
15 ) CONSOLIDATE AND  
16 ) APPOINT INTERIM CO-LEAD  
17 ) COUNSEL  
18 )  
19 ) Noted for Consideration:  
20 ) March 28, 2008  
21 )  
22 ) GREGORY BUSHANSKY, Individually and on )  
23 ) Behalf of All Others Similarly Situated, )  
24 )  
25 ) Plaintiff, ) No. C07-01874 (MJP)  
26 )  
27 ) v. )  
28 )  
29 ) WASHINGTON MUTUAL, INC., et al., )  
30 )  
31 ) Defendants. )

1 VINCENT BUSSEY, Individually and on Behalf )  
2 of All Others Similarly Situated, )  
3 Plaintiff, ) No. C07-01879 (MJP)  
4 v. )  
5 WASHINGTON MUTUAL, INC., et al., )  
6 Defendants. )  
7 \_\_\_\_\_ )  
8 BARBARA ALEXANDER, Individually and on )  
9 Behalf of All Others Similarly Situated, )  
10 Plaintiff, ) No. C07-01906 (MJP)  
11 v. )  
12 WASHINGTON MUTUAL, INC., et al., )  
13 Defendants. )  
14 \_\_\_\_\_ )  
15 DARLENE MITCHELL, Individually and on )  
16 Behalf of All Others Similarly Situated, )  
17 Plaintiff, ) No. C07-01938 (MJP)  
18 v. )  
19 WASHINGTON MUTUAL, INC., et al., )  
20 Defendants. )  
21 \_\_\_\_\_ )  
22 MARINA WARE, Individually and on Behalf of )  
23 All Others Similarly Situated, )  
24 Plaintiff, ) No. C07-01997 (RAJ)  
25 v. )  
26 WASHINGTON MUTUAL, INC., et al., )  
27 Defendants. )  
28 \_\_\_\_\_ )

LEON ROSENBLATT, Individually and on Behalf of All Others Similarly Situated,

Plaintiff, ) No. C07-02025 (MJP)

V.

## WASHINGTON MUTUAL, INC., et al.

### Defendants.

No. C07-02025 (MJP)

## WASHINGTON MUTUAL, INC., et al.

No. C07-2055 (MJP)

v.

## WASHINGTON MUTUAL, INC., et al.

### Defendants.

DANA MARRA, Individually and on Behalf of  
All Others Similarly Situated,

**Plaintiff,**

No. C07-2076 (MJP)

V.

## WASHINGTON MUTUAL, INC., et al..

### Defendants.

## I. INTRODUCTION

Defendants<sup>1</sup> submit this response to the Motion for Consolidation and Appointment of Interim Co-lead Counsel (the “Motion”) filed by Plaintiffs in the above-captioned *Bushansky, Bussey, Alexander, Ware, McDonald, and Marra* actions on March 13, 2008. Defendants concur in consolidation of the ERISA cases, and further recommend that the consolidated ERISA action

<sup>1</sup>For purposes of this response, Washington Mutual, Inc. (“WaMu”), Kerry K. Killinger, Stephen Rotella, James B. Corcoran, Daryl D. David, Anne V. Farrell, Stephen E. Frank, Thomas C. Leppert, Charles M. Lillis, Phillip D. Matthews, Regina T. Montoya, Michael K. Murphy, Margaret Osmer-McQuade, Mary E. Pugh, William G. Reed, Jr., Orin C. Smith, James H. Stever, Thomas Casey are collectively referred to as “Defendants.”

1 be coordinated for pretrial proceedings with a consolidated securities action and a consolidated  
 2 derivative action. Defendants take no position on the portion of the Motion seeking appointment  
 3 of a particular plaintiff or plaintiffs as “lead” plaintiff and the appointment of a specific law firm  
 4 or firms as “lead” counsel. Defendants will work with whichever plaintiff and counsel the Court  
 5 appoints in crafting an appropriate schedule for the Court’s consideration.

## 6 II. PROCEDURAL BACKGROUND

7 The above-captioned putative ERISA class action lawsuits were filed in this Court on  
 8 November 20, 2007 (*Bushansky*), November 21, 2007 (*Bussey*), November 29, 2007 (*Alexander*),  
 9 December 5, 2007 (*Mitchell*), December 13, 2007 (*Ware*), December 18, 2007 (*Rosenblatt*),  
 10 December 21, 2007 (*McDonald*), and December 27, 2007 (*Marra*). In addition to these actions,  
 11 certain other plaintiffs have filed putative securities class actions and shareholder derivative  
 12 actions. On November 28, 2007, WaMu asked the United States Judicial Panel on Multidistrict  
 13 Litigation (the “Panel”) to centralize the various ERISA, securities and derivative litigation in this  
 14 Court. The Panel granted WaMu’s motion by order dated February 21, 2008. *See In re*  
 15 *Washington Mutual, Inc. Securities, Derivative & ERISA Litigation*, 2008 WL 495850,  
 16 \_\_\_ F. Supp. 2d \_\_\_ (J.P.M.L. 2008). Following the Panel’s order centralizing all cases in this  
 17 Court, the Clerk of this Court opened a new docket (2:08-md-1919-MJP).

18 On March 13, 2003, the parties in the securities actions filed a Stipulation and Proposed  
 19 Order seeking (1) consolidation of the securities cases into a single docket, styled “*In re*  
 20 *Washington Mutual, Inc. Securities Litigation*,” (2) appointment of lead plaintiff and lead  
 21 plaintiff’s counsel, and (3) an order requiring the filing of a consolidated, amended complaint and  
 22 setting out the briefing schedule for defendants’ motion(s) to dismiss [No. 2:08-md-01919-MJP,  
 23 Docket #3].

24 The parties to the federal shareholder derivative actions are currently negotiating a  
 25 stipulation with similar terms, based in large part on a stipulation and order entered in three related  
 26 shareholder derivative actions currently pending in the Superior Court of the State of Washington.  
 27 *See Catholic Medical Mission v. Killinger, et al.*, No. 07-2-36548-6 SEA, *Gibb v. Killinger, et al.*,  
 28 No. 07-2-41044-9 SEA, and *Breene v. Killinger, et al.*, No. 07-2-41042-2 SEA.

### III. ARGUMENT

Defendants support consolidation of each of the ERISA cases identified in the Motion. As the United States Judicial Panel on Multidistrict Litigation ruled when granting WaMu's request to centralize the various securities, derivative and ERISA cases filed against WaMu in this Court and the U.S. District Court for the Southern District of New York, "these actions involve common questions of fact," such that consolidation and/or coordination "will serve the convenience of the parties and witnesses and promote the just and efficient conduct of this litigation." *In re Washington Mutual, Inc. Securities, Derivative & ERISA Litigation*, 2008 WL 495850, at \*1, \_\_\_ F. Supp. 2d \_\_\_ (J.P.M.L. 2008).

10           Consolidation is “a matter of convenience and economy in administration” that “does not  
11        . . . change the rights of the parties.” *Johnson v. Manhattan Ry. Co.*, 289 U.S. 479, 496–97 (1933).  
12        It “may be ordered where the court in its discretion deems it appropriate and in the interests of  
13        justice,” *United States v. Washington*, 573 F.2d 1121, 1123 (9th Cir. 1978) (Kennedy, J.), bearing  
14        in mind that “considerations of judicial economy strongly favor simultaneous resolution of all  
15        claims growing out of one event,” *Ikerd v. Lapworth*, 435 F.2d 197, 204 (7th Cir. 1970); *accord*  
16        *Masterson v. Atherton*, 223 F. Supp. 407, 409–10 (D. Conn. 1963) (consolidation “should be  
17        granted” where “common questions of law and fact are involved”), *aff’d*, 328 F.2d 106 (2d Cir.  
18        1964).<sup>2</sup>

19        Each of the ERISA cases identified in the Motion seeks recovery under the same statute,  
20 against essentially the same defendants, based on allegations that are effectively the same. While  
21 defendants dispute those allegations vigorously, all parties can agree that “the just, speedy, and  
22 inexpensive determination,” Fed. R. Civ. P. 1, of the various ERISA cases will best be served by  
23 consolidating the suits into one action, allowing whichever plaintiff the Court designates to file

<sup>2</sup> See also *Johnson v. Miss. Valley Barge Line Co.*, 34 F.R.D. 140, 142 (W.D. Pa. 1963) (“It is fundamental that the law frowns upon multiplicity of litigation, particularly under our Federal Rules of Civil Procedure, and particularly where the court may order the consolidation of all actions involving common questions of law or fact in order to avoid unnecessary costs and delay.”); *Weitort v. A. H. Bull & Co.*, 192 F. Supp. 165, 166–67 (E.D. Pa. 1961) (“[T]he purpose of permitting consolidation of actions under the Federal Rules [is] to encourage such consolidation where possible.”).

1 one consolidated complaint, and then addressing that complaint as a whole. In addition to  
 2 conserving valuable judicial resources, this will avoid the possibility of inconsistent results and the  
 3 prejudice that would arise there from.

4 Sixteen cases subject to the Panel's order are now before this Court.<sup>3</sup> Consolidation of the  
 5 ERISA cases will facilitate the ultimate consolidation of all of the pending matters into three  
 6 distinct groups—securities, derivative and ERISA (each with its own docket number and  
 7 caption)—that can be coordinated for purposes of pretrial discovery, motion practice and the like.  
 8 Further, in the absence of any opportunity for the parties to present the Court with a stipulated  
 9 Case Management Order, the “proposed preliminary schedule” suggested in the Proposed Order,  
 10 ¶ 6(a), is premature at this time. Defendants will negotiate with whichever plaintiff is designated  
 11 by the Court as lead plaintiff concerning the scope and timing of discovery and motion practice.

#### 12                  IV. CONCLUSION

13 For the reasons set out above, Defendants agree with the moving plaintiffs that the Court  
 14 should consolidate the eight ERISA cases pursuant to Federal Rule of Civil Procedure 42 under  
 15 one docket styled “In re Washington Mutual ERISA Litigation.” Defendants, however,  
 16 respectfully request the Court strike the “proposed preliminary schedule” suggested in the  
 17 Proposed Order, ¶ 6(a) pending the opportunity for defendants to work out a schedule after the  
 18 case is consolidated, and the lead plaintiff and its counsel appointed by the Court file an amended  
 19 complaint.

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26                  <sup>3</sup> WaMu’s motion before the Panel originally addressed seven cases. Twelve additional cases  
 27 were subsequently filed, and were noted by the Panel as potential “tag-along” actions. See *In re*  
*Washington Mutual, Inc.*, 2008 WL 495850, at\*1 n.1. All but three of those actions are now  
 28 before the Court.

1                   Dated this 24th day of March 2008.  
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DAVIS WRIGHT TREMAINE LLP

*Of Counsel:*

SIMPSON THACHER & BARTLETT LLP  
Barry R. Ostrager (*pro hac vice*)  
Mary Kay Vyskocil (*pro hac vice*)  
425 Lexington Avenue  
New York, New York 10017  
Tel.: (212) 455-2700  
Fax: (212) 455-2502  
Email: bostrager@stblaw.com  
mvyskocil@stblaw.com

By: /s/ Steven P. Caplow  
Stephen M. Rummage, WSBA #11168  
Steven P. Caplow, WSBA #19843  
1201 Third Avenue, Suite 2200  
Seattle, Washington 98101-3045  
Tel.: (206) 757-8108  
Fax: (206) 757-7136  
E-mail: steverummage@dwt.com  
stevencaplow@dwt.com

9                   -and-

10 Robert J. Pfister (*pro hac vice*)  
11 Gabriel D. Miller (*pro hac vice*)  
12 1999 Avenue of the Stars, 29th Floor  
Los Angeles, California 90067  
Tel.: (310) 407-7500  
Fax: (310) 407-7502  
Email: rpfister@stblaw.com  
gdmiller@stblaw.com

13 *Counsel for Defendant Washington Mutual,  
Inc., and, for the limited purpose of filing this  
response, Defendants Kerry K. Killinger,  
Stephen Rotella, James B. Corcoran, and  
Daryl D. David.*

14  
15 PERKINS COIE LLP

16 By: /s/ Ronald L. Berenstain  
17 Ronald L. Berenstain, WSBA #7573  
18 David F. Taylor, WSBA #25689  
19 1201 Third Ave, Suite 4800  
Seattle, Washington 98101-3099  
Tel: (206) 359-8477  
Fax: (206) 359-9477  
Email: rberenstain@perkinscoie.com

20  
21 *Counsel for Defendants Anne V. Farrell, Stephen  
E. Frank, Thomas C. Leppert, Charles M. Lillis,  
Phillip D. Matthews, Regina T. Montoya, Michael  
K. Murphy, Mary E. Pugh, William G. Reed, Jr.,  
Orin C. Smith, Thomas Casey, and James H.  
Stever*